

**U.S. Department of the Interior
Bureau of Land Management
Miles City Field Office
111 Garryowen Road
Miles City, Montana 59301-7000**

**Decision Record and Leasing Recommendation
Environmental Assessment DOI-BLM-MT-C020-2012-159-EA**

Decision:

It is my decision to implement Alternative C (the Preferred Alternative) as identified in the Miles City Field Office (MCFO) Oil and Gas Leasing Environmental Assessment (EA), DOI-BLM-MT-C020-2012-159-EA, in which 201 of the 203 lease parcels (199 whole, 2 partial) containing 82,998.14 federal surveyed mineral acres in whole or part would be offered for competitive and/or noncompetitive lease issuance at the October 23, 2012 competitive sale. Competitive leases will be issued for parcels sold at the sale, and noncompetitive leases may be issued for applications filed during the 2-year period following the sale. The remaining 4 parcels (2 whole, 2 partial) containing 2,760 federal surveyed mineral acres considered in the EA would be deferred due to sensitive cultural sites, and are pending further review.

Authorities:

The authority for this decision is contained in 43 CFR 3100.

Compliance and Monitoring:

Should the parcels be developed, monitoring may be required and would be addressed and analyzed under future NEPA documentation.

Terms, Conditions, and Stipulations:

For all parcels, standard terms and conditions, as well as the lease notices and stipulations identified by parcel in Appendix A of the EA, would apply and be attached to the lease parcel(s).

Plan Conformance and Consistency:

The proposed action and alternatives have been reviewed and found to be in conformance with the following BLM plans and associated Record of Decision(s): Powder River Resource Management Plan and Record of Decision, March 1985 as amended by Miles City District Oil and Gas FEIS/Amendment, February 1994 and Montana Statewide Oil and Gas FEIS/Amendment of the Powder River and Billings RMPs, April 2003 and Supplement to Montana Statewide Oil and Gas FEIS/Amendment of the Powder River and Billings RMPs, December 2008 Big Dry Resource Management Plan and Record of Decision, April 1996.

Alternatives Considered:

Alternative A – No Action. The No Action Alternative would exclude all 203 parcels within the MCFO from the lease sale. Surface management would remain the same and ongoing oil and gas development would continue on surrounding federal, private, and state leases.

Alternative B – Proposed Action. The proposed action would offer all 203 parcels covering 85,758.14 surveyed acres of federal mineral for competitive and/or noncompetitive lease issuance, in conformance with the land use planning decisions. The lease parcel number, size, and detailed locations and associated stipulations are listed in Appendix A of the EA. Standard terms and conditions, as well as stipulations identified in Appendix A of the EA would apply.

Alternative C – BLM Preferred Alternative. The preferred alternative would be to offer 201 of the 203 lease parcels (199 whole, 2 partial) containing 82,998.14 federal surveyed mineral acres in whole or part for competitive and/or noncompetitive lease issuance. The lease parcels to be offered are located within the MCFO and are dispersed across the following counties: McCone, Richland, Daniels, and Sheridan. Standard terms and conditions, as well as stipulations identified in Appendix A of the EA would apply.

The preferred alternative would defer the remaining 4 parcels (2 whole, 2 partial) containing 2,760 federal surveyed mineral acres in whole or part would be deferred pending further review. More specifically, the 4 lease parcels have been found to contain sensitive cultural sites being analyzed in the ongoing MCFO RMP effort.

Public Comments:

This EA was made available for a 30-day public comment period which ended on June 20, 2012. No substantive comments were received after the 30-day comment period from the public; however, after an internal review of the EA, some modifications have been made to the EA. Changes made to the analysis are noted with gray-scale shading and/or strikeout so the modifications to the EA can easily be identified. Refer to Chapter 5 of the updated EA for a summary of public participation and changes made to the EA.

Rationale for the Decision:

The decision to approve Alternative C, the preferred alternative, is based on the following: 1) consistency with resource management and land use plans; 2) national policy; 3) agency statutory requirements; 4) relevant resource issues; and 5) application of measures to avoid or minimize environmental impacts.

1. The decision is in conformance with the Powder River Resource Management Plan and Record of Decision, March 1985 as amended by Miles City District Oil and Gas FEIS/Amendment, February 1994 and Montana Statewide Oil and Gas FEIS/Amendment of the Powder River and Billings RMPs, April 2003 and Supplement to Montana Statewide Oil and Gas FEIS/Amendment of the Powder River and Billings RMPs, December 2008 Big Dry Resource Management Plan and Record of Decision, April 1996.
2. It is the policy of the Bureau of Land Management (BLM) as derived from various laws, including the Mineral Leasing Act of 1920, as amended [30 U.S.C. 181 *et seq.*] and the Federal Land Policy and Management Act of 1976, to make mineral resources available

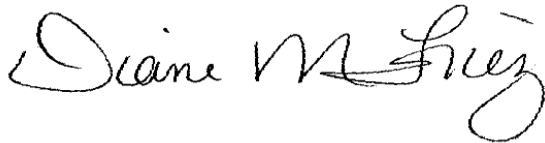
for disposal and to encourage development of mineral resources to meet national, regional, and local needs.

3. The decision is consistent with all federal, state, and county authorizing actions required for implementation of the Preferred Alternative.
4. Standard terms and conditions as well as special stipulations would apply. Lease stipulations (as required by Title 43 Code of Federal Regulations 3101.1-3) were added to each parcel as identified by the MCFO to address site specific resource concerns or new information not identified in the planning process.

Recommended by:

Todd D. Yeager, Acting Field Manager
Date October 19, 2012

Concurrence by:

A handwritten signature in black ink, reading "Diane M. Friez". The signature is written in a cursive style with a large, looped "D" and a stylized "Friez".

Diane M. Friez, District Manager
Date October 19, 2012

Approved by:

A handwritten signature in black ink, reading "Theresa M. Hanley". The signature is written in a cursive style with a large, looped "T" and a stylized "Hanley".

Theresa M. Hanley, Deputy State Director, Division of Resources
Date October 19, 2012